

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of the)

RE: ATL-97-4

Suspension and Prohibition of)

Dated: August 21, 1997

JOEL N. FERNEBOK)

Former Chief Executive Officer)
and Chairman of the Board of,)

Colombo Savings Bank, FSB)
Bethesda, Maryland)
_____)

**NOTICE OF SUSPENSION AND PROHIBITION
FROM PARTICIPATION IN ASSOCIATION AFFAIRS**

Pursuant to Section 8(g) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(g)(1), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183, the Office of Thrift Supervision ("OTS") acting through the Regional Director for the Southeast Region ("Regional Director"), hereby issues this Notice of Suspension and Prohibition From Participation in Association Affairs ("Suspension Notice") against **JOEL N. FERNEBOK** with respect to Colombo Savings Bank, FSB, Bethesda, Maryland.

I. JURISDICTION

1. Section 8(g)(1) of the FDIA, 12 U.S.C. § 1818(g)(1), authorizes the OTS, upon making the required determinations, to suspend from office and prohibit from further participation in the affairs of a savings association, any institution-affiliated party who has been charged in any information, indictment or complaint, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment of a term exceeding one year under state or federal law.

2. Colombo Savings Bank, FSB, Bethesda, Maryland ("Colombo" or the "Association") is a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act of 1993 ("HOLA"), 12 U.S.C. § 1462(4).

3. JOEL N. FERNEBOK ("FERNEBOK") served as the Chief Executive Officer and Chairman of the Board of Colombo Savings Bank, FSB, within the last six years. Consequently, FERNEBOK is an institution-affiliated party of Colombo and, therefore, is subject to Section 8(g) of the FDIA.

II. STATEMENT OF FACTS

4. On or about May 23, 1997, FERNEBOK was charged in an information filed by the U.S. Attorney's Office for the District of Columbia with violations of Title 18, United States Code, including the making of false

statements to a depository institution and the aiding and abetting of another in the making of false statements to a depository institution.

5. Among other things, the Information charges **FERNEBOK** with knowingly making false statements to Franklin National Bank of Washington, D.C. ("Franklin") and Columbia First Bank ("Columbia") in connection with a loan application pending at those institutions, and knowingly aiding and abetting another in the making of false statements regarding construction costs to these institutions in connection with the same loan application.

III. STATUTORY DETERMINATIONS

6. The Regional Director has determined that **FERNEBOK** has been charged with the commission of or participation in crimes involving dishonesty or breach of trust that are punishable by imprisonment for a term exceeding one year under state or federal law, within the meaning of 12 U.S.C. § 1818(g)(1).

7. The Regional Director has determined that the continued participation of **FERNEBOK** in the affairs of Colombo may pose a threat to the interests of Colombo's depositors or may threaten to impair public confidence in the Association, within the meaning of 12 U.S.C. § 1818(g)(1).

THEREFORE, pursuant to the provisions of 12 U.S.C. § 1818(g)(1) and § 1818(j), **FERNEBOK** is hereby suspended from office and prohibited from further participation, in any manner, in the conduct of affairs of Colombo or any institution or entity as set forth in 12 U.S.C. § 1818(e)(7). This Notice

shall become effective upon issuance and shall remain in effect until the charges against **FERNEBOK** are fully disposed of or until this Notice is terminated by the Regional Director.

By virtue of the issuance of this Notice and the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), **FERNEBOK** shall be subject to a fine of not more than \$1,000,000 and/or imprisonment of five years if during the pendency of this Notice **FERNEBOK** knowingly participates, directly or indirectly, in any manner in the conduct of the affairs of Colombo, including soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in the Association; violating any voting agreement previously approved by OTS or the Federal Home Loan Bank Board; or voting for a director, or serving or acting as an institution-affiliated party of any institution or entity as set forth in 12 U.S.C. § 1818(e)(7) without the prior written approval of OTS.

IV. NOTICE OF OPPORTUNITY FOR HEARING

1. In accordance with 12 U.S.C. § 1818(g)(3) and 12 C.F.R. § 508.5 (1997), **FERNEBOK** is given notice that, within thirty days of the service of this Notice, he may petition the Secretary of OTS, 1700 G Street, N.W., Washington, D.C. 20552, in writing for an informal hearing for the purpose of determining whether the Suspension Notice should be continued, terminated or otherwise modified. At such hearing, **FERNEBOK** may present evidence and argument as to why his continued participation in the affairs of the Association

does not and is not likely to pose a threat to the interest of the Association's depositors or threaten to impair public confidence in the Association.

2. After the receipt of a written petition for hearing, setting forth with particularity the relief sought and the grounds therefore, together with supporting evidence, OTS will order a hearing to commence within thirty days of receipt of the request for hearing, at such place and before such person(s) as it may designate.

3. **FERNEBOK** may appear at the hearing personally, through counsel, or personally with counsel, or he may waive an oral hearing in writing and elect to have the matter determined on the basis of a written submission alone.

4. The formal hearing will be conducted in accordance with 12 C.F.R. Part 508 (1997).

5. If **FERNEBOK** fails to petition for a hearing, or fails to appear at the hearing either in person or through counsel or fails to submit a written argument where an oral hearing has been waived, the Suspension Notice as to him shall remain in effect until the indictment is finally disposed of or until the Suspension Notice is otherwise terminated by the Regional Director.

OFFICE OF THRIFT SUPERVISION



John E. Ryan
Southeast Regional Director